



NEWS RELEASE

United States Department of Agriculture • Rural Development
World Wide Web: <http://www.rurdev.usda.gov>

Amy Mund (720) 544-2906

USDA ANNOUNCES OVER \$4.2 BILLION FOR RURAL HOUSING LOANS, GUARANTEES AND GRANTS NATIONWIDE

Lakewood, March 11, 2005 - Agriculture Secretary Mike Johanns announced the availability of over \$4.2 billion in funding to build and improve rural housing facilities through USDA's Rural Development housing programs. "The Bush Administration has made it a priority to help rural families secure safe and affordable housing," said Johanns. "These funds will play an important role in improving the quality of life and enhancing economic opportunities in rural America."

The funding includes approximately \$99.2 million in direct loans and \$99.2 million in loan guarantees for multi-family housing. These funds may be used to repair and rehabilitate existing units and to build new units. Also available are \$44 million in competitive loan and grants for the construction of off-farm rental housing units for domestic farm workers, and \$8.8 million in competitive grants to non-profit organizations and public bodies to assist more than 2,100 very low and low-income rural residents repair and rehabilitate their homes or rental housing.

The Rural Rental Housing Direct Loan Program provides loans for multi-family housing developments in rural areas. In Colorado, only development proposals located in one of the state's "designated places" can be accepted for review for the Rural Rental Housing Direct Program. These places have been selected based on a number of factors which indicate a strong need for affordable rental housing. Additionally, Colorado requires that proposals must include a minimum of 20% leveraging from other sources. For Fiscal Year 2005, the "designated places" in Colorado are: Mountain Village Town, Ft. Lupton, Keystone, Olathe, Center, Gunnison, Avon, Carbondale, Rifle, Glenwood Springs, Brush, Pagosa Springs, Aspen, Yuma, Del Norte, Breckenridge, and Battlement Mesa. The deadline for submitting loan applications is May 15, 2005.

Under the Guaranteed Rural Rental Housing Program, USDA provides loan guarantees to lenders, who in turn provide loans for new construction or purchase/rehabilitation of rural multi-family housing developments. USDA will guarantee the lender's loan, up to 90 percent of the total development cost. All applications will be reviewed on an ongoing basis until May 16, 2005. Applications received after that date will be held for review subject to the availability of funds.

This year's farm worker housing funds will be available to broad-based nonprofit organizations, nonprofit organizations of farm workers, federally recognized Indian tribes, state and local governments, and public agencies (such as public housing authorities). May 16, 2005 is the deadline for submitting applications for funding.

Housing preservation grant funds are awarded to qualified public agencies, private nonprofit organizations, and other eligible entities, which will leverage the USDA grant funds with private, state and local funds to further extend the housing repair assistance into their local community. The deadline for housing preservation grant applications is also May 16, 2005.

Program applications and procedures for these programs will be published in the March 14, 2005 edition of the Federal Register. Applications for Colorado should be submitted to: Don Pierce, Rural Housing Director, 655 Parfet Street, Room E-100, Lakewood, CO, 80215, (720) 544-2918, don.pierce@co.usda.gov

In addition, USDA Rural Development announced that over \$4 billion in single-family housing funds are available to assist more rural families become homeowners as part of President Bush's Ownership Society initiative. Over 10 percent of these funds will help families build their own homes and bring homeownership opportunities to families living in the Colonias, underserved areas and Federally designated communities (Enterprise Communities, Empowerment Zones, and Rural Economic Area Partnership Zones). For additional information on homeownership opportunities available in Colorado, visit our web site at <http://www.rurdev.usda.gov/co/index.html>

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development has invested over \$50 billion since the beginning of the Bush Administration to provide equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. As a result, over 800,000 jobs have been created or saved through these investments.

#

Committed to the future of rural communities.

USDA Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, S.W., Washington, D.C. 20250-9410.